



Board of Trustees Minutes - Approved

June 15, 2016 at 12:00 pm

Board Members Attending: David Damschen, John Lunt, David Nixon and Duane Madsen.

Others Attending: Peter Madsen, SITFO; Allen Rollo, Treasurer's Office; Kirt Slaugh, Treasurer's Office; Michael Green, Utah AG; Natalie Gordon, USBE – SCT; Ryan Kulig, SITFO; Nathan Barnard, SITFO; Tracy Miller, Utah PTA; David Center, FEG; Paula Plant, USBE – SCT; Margaret Bird, Univ. of Utah, USU, MH, SM, NS; Bryan Nalder, Utah AG.

1. Call Meeting to Order

Mr. Damschen called meeting to order and noted that Mr. Misener was not present.

2. Administrative

- a. **Approval of minutes** - Mr. Lunt made the motion to approve the minutes, Mr. Duane Madsen seconded the motion and the Board passed the motion unanimously.
- b. **Work plan** – Mr. Peter Madsen reviewed the work plan with the Board. He suggested that the Board consider cancelling the July meeting.
- c. **Fund expenses** – Mr. Kulig introduced the fund expense spreadsheet. He noted that the current total management expense is expected to be 0.46% of the fund and will increase as new managers are hired.
- d. **Software update** – Mr. Barnard introduced a memo outlining research, portfolio, and risk management software recommendations. He noted that all of the software will aid the staff, consultant, and custodian in the investment process.
- e. **Custody update** – Mr. Kulig gave updates on the custodian search. He noted that the RFP was issued last week and that the finalists will be notified in the beginning of July.
- f. **Policies update** – Mr. Kulig introduced a soft dollar policy. Mr. Nixon recommended that the fund should receive cash rebates. The staff took note and will update the policy. Mr. Kulig also introduced the Code of Conduct and Compliance policy. Ms. Bird made a few suggestions on how to improve the language of the document. The staff took note of the suggestions and will incorporate them in updated policies, which will be reviewed at a future meeting.

3. Asset Allocation

Mr. Barnard presented an updated analysis of the asset allocation. Mr. Nixon suggested we wait until Mr. Misener is present to approve the asset allocation. Mr. Damschen recommended we reconsider meeting in July, if all Board members will be present, to review the asset allocation.

4. Investment Policy Statement

Mr. Kulig presented the updated Investment Policy Statement and noted that a final review was done, which included a few minor edits. Mr. Nixon made the motion to adopt the policy, Mr. Duane Madsen seconded the motion and the motion passed unanimously.

5. Research Update

Mr. Peter Madsen provided the Board with a structure for the defensive asset grouping. He noted that there are plans to purchase long duration Treasuries and continue to keep a 3%-5% cash allocation. Mr. Peter Madsen then introduced a real asset implementation strategy to include the purchase of TIPS and a recommendation of a MLP manager. He noted that the plan is to begin funding the MLP manager in the next month.

6. Investment Review

Mr. Barnard reviewed the trust funds performance and noted that the responsibility of reporting is being transitioned to FEG.

7. Adjourn

Mr. Lunt made the motion to adjourn. Mr. Duane Madsen seconded the motion. The meeting was adjourned.